

ASSEMBLY BILL

No. 498

**Introduced by Assembly Member Canciamilla
(Coauthors: Assembly Members Cohn, Daucher, Dutton, Wolk,
and Wyland)**

February 14, 2003

An act to add Article 7.65 (commencing with Section 16418.6) to Title 2 of Division 4 of the Government Code, relating to state government.

LEGISLATIVE COUNSEL'S DIGEST

AB 498, as introduced, Canciamilla. State government: prudent state reserve.

Existing provisions of the California Constitution require the Legislature to establish a Prudent State Reserve Fund in an amount as it shall deem reasonable and necessary.

This bill would establish the Prudent State Reserve Fund, as specified. The bill would require, each fiscal year, the Governor to recommend an amount to be transferred to this fund in an amount equal to 3% of all General Fund and special fund reserves anticipated for the ensuing fiscal year. The bill would state the intent of the Legislature to make this transfer of funds each fiscal year.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Article 7.65 (commencing with Section 16418.6) is added to Title 2 of Division 4 of the Government Code, to read:

Article 7.65. Prudent State Reserve Fund

16418.6. Pursuant to Section 5.5 of Article XIII B of the California Constitution, a Prudent State Reserve Fund is hereby created.

16418.7. As part of the budget required to be submitted to the Legislature pursuant to Section 12 of Article IV of the California Constitution, the Governor shall identify an amount to be transferred to the Prudent State Reserve Fund equal to 3 percent of all General Fund and special fund revenues for the ensuing fiscal year.

16418.8. It is the intent of the Legislature that each fiscal year, as part of the annual Budget Act, it will transfer from the General Fund to the Prudent State Reserve Fund an amount equal to 3 percent of all General Fund and special fund revenues anticipated for the ensuing fiscal year.